



General Assembly

**Amendment**

January Session, 2005

LCO No. 6617

\*SB0125106617SD0\*

Offered by:  
SEN. CRISCO, 17<sup>th</sup> Dist.

To: Subst. Senate Bill No. 1251      File No. 194      Cal. No. 193

**"AN ACT CONCERNING OWNER-CONTROLLED INSURANCE  
PROGRAMS ON STATE AND MUNICIPAL CONSTRUCTION  
PROJECTS."**

1      Strike everything after the enacting clause and substitute the  
2      following in lieu thereof:

3      "Section 1. Section 49-41 of the general statutes is repealed and the  
4      following is substituted in lieu thereof (*Effective from passage*):

5      (a) Each contract exceeding fifty thousand dollars in amount for the  
6      construction, alteration or repair of any public building or public work  
7      of the state or [of any subdivision thereof] a municipality shall include  
8      a provision that the person to perform the contract shall furnish to the  
9      state or [the subdivision] municipality on or before the award date, a  
10     bond in the amount of the contract which shall be binding upon the  
11     award of the contract to that person, with a surety or sureties  
12     satisfactory to the officer awarding the contract, for the protection of  
13     persons supplying labor or materials in the prosecution of the work  
14     provided for in the contract for the use of each such person, provided

15 no such bond shall be required to be furnished (1) in relation to any  
16 general bid in which the total estimated cost of labor and materials  
17 under the contract with respect to which such general bid is submitted  
18 is less than fifty thousand dollars, (2) in relation to any sub-bid in  
19 which the total estimated cost of labor and materials under the contract  
20 with respect to which such sub-bid is submitted is less than fifty  
21 thousand dollars, or (3) in relation to any general bid or sub-bid  
22 submitted by a consultant, as defined in section 4b-55. Any such bond  
23 furnished shall have as principal the name of the person awarded the  
24 contract.

25 (b) Nothing in this section or sections 49-41a to 49-43, inclusive,  
26 shall be construed to limit the authority of any contracting officer to  
27 require a performance bond or other security in addition to the bond  
28 referred to in subsection (a) of this section, except that no such officer  
29 shall require a performance bond in relation to any general bid in  
30 which the total estimated cost of labor and materials under the contract  
31 with respect to which such general bid is submitted is less than  
32 twenty-five thousand dollars or in relation to any sub-bid in which the  
33 total estimated cost of labor and materials under the contract with  
34 respect to which such sub-bid is submitted is less than fifty thousand  
35 dollars.

36 (c) No contract for the construction, alteration or repair of any  
37 public building or public work of the state or [of any subdivision  
38 thereof] a municipality that requires a person to supply the state or  
39 [subdivision] municipality with a bond may include a provision that  
40 requires the person to obtain the bond from a specific surety, agent,  
41 broker or producer. No contracting officer may require that a bond be  
42 obtained from a specific surety, agent, broker or producer.

43 (d) (1) As used in this subsection, "owner-controlled insurance  
44 program" means an insurance procurement program under which a  
45 principal provides and consolidates insurance coverage for one or  
46 more contractors on one or more construction projects.

47     (2) No contract for the construction, alteration or repair of any  
48     public building or public work of the state or a municipality may  
49     include a provision that allows or requires the state or municipality to  
50     maintain an owner-controlled insurance program, except for (A) a  
51     project approved pursuant to section 10a-109e, or (B) one or more  
52     municipal projects totaling one hundred million dollars or more (i)  
53     under the supervision of one construction manager, or (ii) located  
54     within the boundaries of a municipality if under the supervision of  
55     more than one construction manager.

56     (3) Each contract or policy of insurance issued under an owner-  
57     controlled insurance program pursuant to this subsection shall provide  
58     that:

59     (A) Coverage for work performed and materials furnished shall  
60     continue from the completion of the work until the date all causes of  
61     action are barred under any applicable statute of limitations;

62     (B) Any notice of a change in coverage under the contract or policy  
63     or of a cancellation or refusal to renew the coverage under the contract  
64     or policy shall be provided to the principal and all contractors covered  
65     under the program.

66     (C) The effective date of a (i) change in coverage under the contract  
67     or policy shall be at least thirty days after the date the principal and  
68     contractors receive the notice of change in coverage as required under  
69     subparagraph (B) of this subdivision, and (ii) cancellation or refusal to  
70     renew shall be at least sixty days after the principal and contractors  
71     receive the notice of change in coverage as required under  
72     subparagraph (B) of this subdivision.

73     (4) Each principal or contractor shall disclose in the project plans or  
74     specifications at the time the principal or contractor is soliciting bids  
75     for the construction project that the project will be covered by an  
76     owner-controlled insurance program."

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>from passage</i>	49-41
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